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EXCOM 9014-80

24 JAN 1980

MEMORANDUM FOR: Executive Committee Members

FROM :

[REDACTED]

SA/DDCI

SUBJECT :

Minutes of Executive Committee Meeting,
16 January 1980

1. The Executive Committee met on 16 January 1980 on two topics: FY 1982 R&D Program Issues and Initiatives and Doing More With Less. (Mr. Carlucci chaired the meeting; Messrs. Dirks, McMahon, Wortman, Clarke, Lipton and Ware were present. Messrs. Stein and Taylor also attended as observers.) [REDACTED]

2. Mr. [REDACTED] reviewed the FY 1982-FY 1985 Directorate goals and requirements on which the FY 1982 R&D program will be based. He also noted the anticipated budget implications of meeting those requirements, which will call for considerably more growth in the S&T program between FY 1981-82 than took place between FY 1980-81. He then outlined several key issues that will need to be considered in developing the FY 1982 program. [REDACTED]

[REDACTED]

[REDACTED]

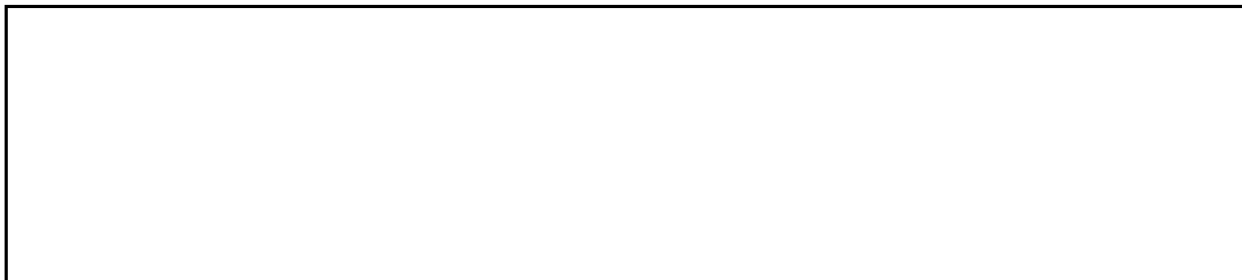
4. In the area of exploratory research, adequate funds will be needed to meet the requirements being placed on ORD and to maintain a centralized exploratory research capability. Noting recent reductions in this area, Mr. Dirks suggested that if a budget increase of only 5 percent were obtained, the program might not be worth continuing. Mr. Lipton noted that inflation plus 10 percent would probably be appropriate. Mr. Carlucci said that he would support an effort to obtain increased exploratory research funds. [REDACTED]

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[initials]

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25X1 5. Regarding [] modernization, Mr. [] noted that the automation currently programmed in FY 1982 totals about \$2 million, current projections call for [] beyond that which is programmed, and a question exists whether or not [] modernization can be achieved concurrently with the expanded requirements for coverage of the "Arc of Crisis." A Community-level and [] study is underway to determine the coverage requirements. Mr. Carlucci urged that any such study include an examination of political stability in potential host countries and encouraged innovative approaches for [] coverage, including remotoring and contracting out the function. []



25X1 8. Mr. Lipton introduced the second agenda topic, "Doing More With Less," noting that Ms. [] would brief the Committee on the results of the Office of the Comptroller's research on measuring and enhancing organizational performance. Ms. [] said that increasing requirements and declining resources seem to leave the Agency with three options: obtaining more resources, which is unlikely; doing less; or increasing efficiency. Programs to do the latter, both inside and outside the Agency, were examined to determine what lessons might be learned. While some initiatives and activities have been undertaken in the Agency in the areas of productivity measurement, evaluation, and/or enhancement, no Agency-wide or directorate-wide approach to the problem exists. Ms. [] highlighted efforts in other Government agencies and outlined the success of one program at the Bureau of Hearings and Appeals (BHA) in the Social Security Administration. Mr. Carlucci noted that the BHA judges involved initially voiced the skepticism one might expect from some quarters if such a program were launched in the Agency. []

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9. In applying the BHA case to the Agency, Ms. [] listed a number of Agency functions similar to those existing elsewhere in Government that could be measured (i.e., communications--OC, procurement--OL, and legal services--OGC and OLC). She also noted functions more unique to the Agency that would be more difficult to measure (i.e., imagery analysis--NPIC and OIA, all-source production--NFAC production offices, and human source reporting--DDO). The potential gains of such a program to the Agency include increased efficiencies and savings; development of management information for internal use; providing comprehensive models of components, thus enhancing our corporate memory; and providing other supporting data. Mr. McMahon noted such a program would probably be well received by our Congressional Oversight Committees. On the negative side, there might not be a gain in efficiency; there would be a number of costs; it could be perceived as an unnecessary bureaucratic exercise; and it might adversely affect employee morale. Ms. [] noted several ways of reducing these risks, including a strong management commitment, thorough planning, and clearly defining targets for improving performance. []

10. Three options for an Agency program were highlighted:

- (1) Encourage on-going activities and establish a point of contact.
- (2) Develop an Agency-wide program with a large central staff and consulting effort.
- (3) Start with pilot efforts that could be expanded to other offices and that would require some central staff and consulting.

After a brief discussion, Mr. Carlucci noted his belief that productivity measurement/enhancement would be emphasized in Government in the 1980s and deserved serious thought. *It was agreed that members should be provided copies of the briefing outline (attached) so that they could discuss the pros and cons of the options presented with their staffs. Members should provide their comments, including possible pilot efforts that could be initiated in their components and where staff responsibility for such a function should rest, to the Executive Committee Staff (4E50, Headquarters) by 20 February. Ms. [] who will be available for additional briefings, will then summarize your comments and lead a discussion on possible next steps at a future Executive Committee meeting. Mr. Carlucci adjourned the meeting. []

Attachment:
Briefing Outline

* Action Item

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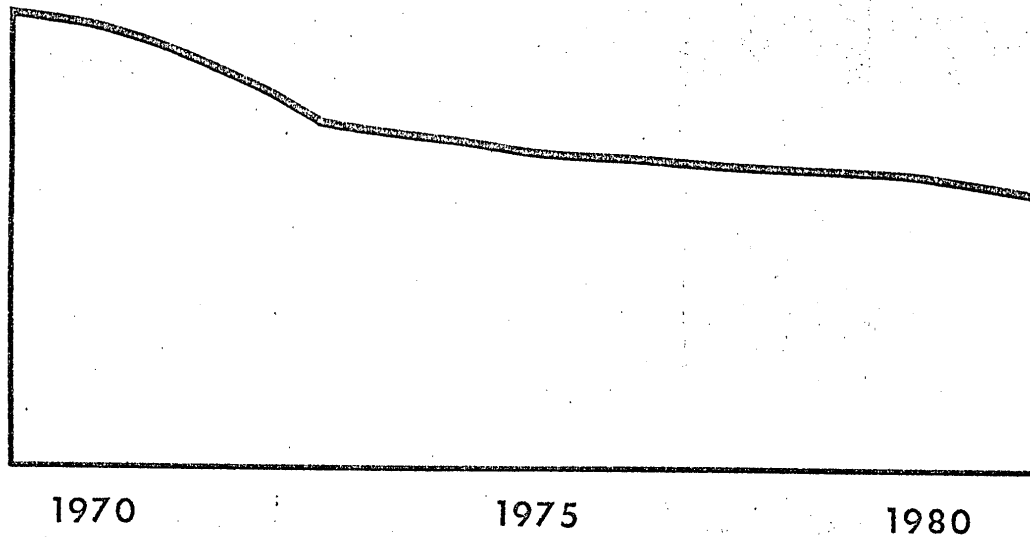
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"Doing More With Less"

Approved For Release 2003/06/26 : CIA-RDP85-00988R000500050043-6

Doing More With Less Problem

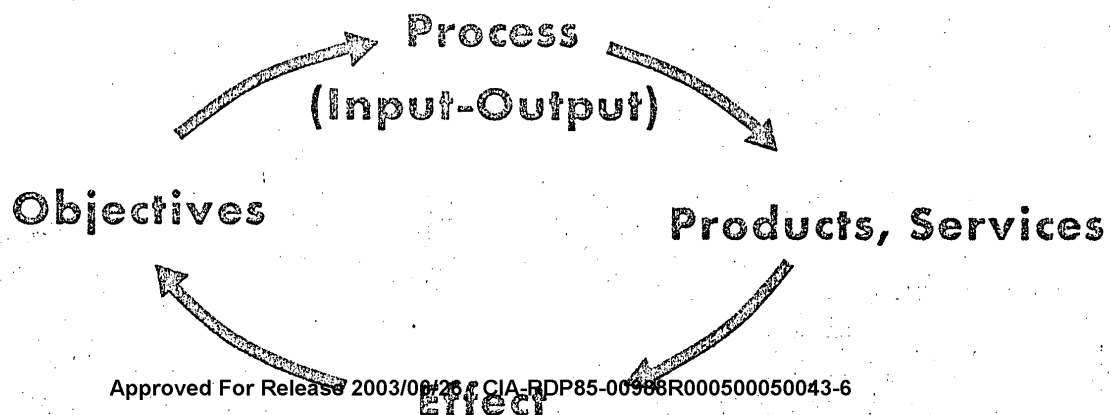
CIA
Resources
(Constant \$)



CIA Performance

Factors to Consider :

- What are WE Trying to do (OBJECTIVES)
- How do We Go About our Job (PROCESS)
- What are the Results (PRODUCTS, SERVICES)



APPROACH

Research available material

Determine what CIA is doing

- Data call
- Discussions

How others are addressing problem

- Other government agencies
- Outside consultants
- Conferences

How does this apply to the CIA

What Is The CIA Doing Now?

Productivity measurement

- NPIC Experimental System
- Office Finance Initiatives
- Other Efforts

Productivity Enhancement

- Capital Investment in Equipment
- Standard Formats, Preprinted Forms
- Improved Management of Resources

Evaluation

- DDO's EPDS Systematic Evaluation
- NFAC Senior Review Panel
- Other Efforts

How Are Others Addressing Problem?

- Private Sector
- Federal Government
 - Strong congressional interest
 - OMB/OPM/BLS productivity measurement (last 5-10 years)
 - BLS measures 65% government (could do 85%)
 - OPM experimental effort (personnel)
 - Other agencies - performance improvement programs
 - HEW program covers 89%
 - DoD, Interior, Treasury, Agriculture

Summary of Bureau of Hearings & Appeals, SSA Case Study

THE PROBLEM:

- At end of 1974, BHA in state of chaos
- Workload in last five years had tripled
- Pending cases had risen from 14,000 in 1970 to 111,000 in 1975
- Average processing time was 10 months

WHAT WAS DONE:

- Implemented performance improvement program
- Brought in special management team
- Goal: Increase production without diminishing quality

RESULTS:

- Annual processing of cases increased 54 percent in two years
- Despite 25 percent increase in cases, backlog decreased 18 percent
- Average processing time cut in third

BHA Program Approach

- Define objectives
- Determine gross outputs (only those that serve objectives)
- Identify lower-order outputs (products, services)
- Establish base year
 - Manhours of effort for each output (standard times)
 - Productivity arbitrarily decreed at 100 percent
- Subsequent years - only need to track output
- Use data
 - Compare productivity from year to year
 - Forecast workload
 - Review resource utilization
 - Support manpower aspects of budget

BUREAU OF HEARINGS AND APPEALS, SSA

Statement of Objectives

MISSION AREA: Administer the appellant process of SSA programs

INTENT: Insure that all eligible people requesting appeals receive legal benefits

GOALS:

1. Timeliness - all cases processed in 90 days
2. Quality - no cases overturned

LIMITATIONS: Certain federal regulations such as Social Security Act

FREEDOMS: Judges are exempt from laws requiring performance ratings and probation periods

BUREAU OF HEARINGS & APPEALS, SSA

GROSS OUTPUTS

Disability
Health Insurance
"Black Lung"

Retirement & Survivors

PROGRAM OUTPUTS

New Initial Cases
Appeals Council Remands
Court Remands
Reopened Cases

UNITS OF OUTPUT (STD TIME)

HOURS

Dismissals (2.6)
Hearing Affirmations (5.9)
Hearing Reversals (9.8)
On-Record
Affirmations (3.2)
On-Record
Reversals (4.8)

What Did BHA Do To Improve Performance?

1. Established production goals
2. Streamlined preparation process
3. Changed support staff/judge ratio
4. Balanced workload and emphasized central processing
5. Improved personnel management
6. Instituted new quality review system
7. Set up model offices to test innovations

How Does This Apply To The Agency?

- What of our functions can be measured?
- What are potential gains?
- What are the risks?
- What options do we have?

WHAT CIA FUNCTIONS COULD BE MEASURED?

● Functions measured elsewhere in government:

Communications	(OC)	✓ Procurement	(OL)
Personnel Management	(OP)	✓ Printing & Publishing	(OL, PPG)
Personnel Investigations	(OS)		
Finance & Accounting	(OF)	Records Management	(ISS)
Medical Services	(OMS)	Library Services	(OCR, OGCR)
Training	(OTR)	Legal Services	(OGC, OLC)
Information Handling	(ODP, IMS)	Audit of Operations	(IG)

● More unique CIA functions

Imagery Analysis (NPIC, OIA)

Technical Services	(OTS)
All-source Production	(OWI, OSR, OER, OPA)
Staff Functions	(CCS)
Human Source Reporting	(DDO)
Research & Development	(ORD, ODE)

What Could Be Gained?

- Potential to increase efficiency and realize savings
- Develop management information for internal use
 - Current use of assets
 - Future planning
- Provide comprehensive model of the component -
- enhance corporate memory
- Provide supporting data

What Are The Risks?

- There may be no efficiency gain
- There will be certain costs
 - Some Directorate resources
 - Central staff
 - Consulting and training costs
- May be perceived as unnecessary bureaucratic exercise
- May adversely affect employee morale

What Can Be Done To Reduce Risks?

- Strong management commitment
- Thorough planning
- Clearly defined targets for improving performance
- Thorough involvement and training of participants
- Careful evaluation of process with feedback along each step of way

Options Considered

OPTION 1:

- Encourage and monitor on-going activities
- Establish central point of contact

OPTION 2:

- Develop an agency wide program
- Large central staff & consulting effort

OPTION 3:

- Start with pilot efforts
- Expand to other offices
- Some central staff & consulting

EXCOM Support	OPTION 1	OPTION 2	OPTION 3
	Encourage on-going activities	Full commitment	Full commitment Start modestly
Staffing requirements	Central point of contact	Central staff of 5 Office level — 15-20	Central staff of 2 Office level — 4-5 (part-time)
Internal costs	1 man year (\$30,000)	20 man Years (\$500,000)	5 man years (\$150,000)
External costs	None	\$500,000	\$25,000
Total costs	\$30,000	\$1,000,000	\$175,000

What Now?

- Your decision on options presented
- If decision to go ahead (Options 2 or 3),
where should program management
be placed